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**Latin America
Review** 

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15 March 1985

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ALA LAR 85-007
15 March 1985

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**Latin America
Review** [REDACTED]

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15 March 1985

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[Redacted]

*Articles have been coordinated as appropriate with other offices within CIA.
 Comments and queries regarding this publication may be directed to the Chief,
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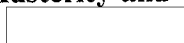
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Articles

Argentina: Austerity and the Military




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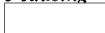
Argentina's armed forces are feeling the pinch of the country's economic crisis. The scarcity of funds is forcing deep cutbacks in personnel benefits, training, and acquisition and maintenance of equipment. Thus, many careerists have chosen to leave the military, and the chairman of the Joint Chiefs of Staff resigned in early March in protest against budget reductions. Further cuts in funding are likely, accelerating the decline in military capabilities and morale. 




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The Transition From Military Rule

After Argentina's defeat in the Falklands conflict in 1982, the armed forces, anticipating that the military would soon be yielding control of the government to civilians, moved quickly to purchase as much foreign military equipment and technology as possible before giving up power. When President Alfonsin took office in late 1983, his administration was faced with a long list of weapons contracts made by the military government. Alfonsin considered canceling many of these, but provisions for penalties made this an unattractive option. He decided instead to delay deliveries of equipment and extend payment deadlines as much as possible. 

Cutbacks in defense funding and the declining status of the military in Argentina are causing severe morale problems in the ranks.  La Nacion ©

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These economizing measures were not enough, given the acute financial squeeze confronting the new government, and Alfonsin concluded that more drastic military belt-tightening was required. For 1984, he ordered a 50-percent cut in the defense budget and called a halt to acquisition of foreign weapons. His 1985 budget envisages an additional reduction of 10 percent. 

pay increases have not kept pace with inflation, now running at an annual rate of 800 percent. Moreover,  the government is often late in making wage and pension payments. The purchasing power of military personnel is now at its lowest point in 10 years, 

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The cuts in pay and other benefits, together with the post-Falklands decline in the social status of the military have prompted an exodus of personnel from all three services. Junior and noncommissioned

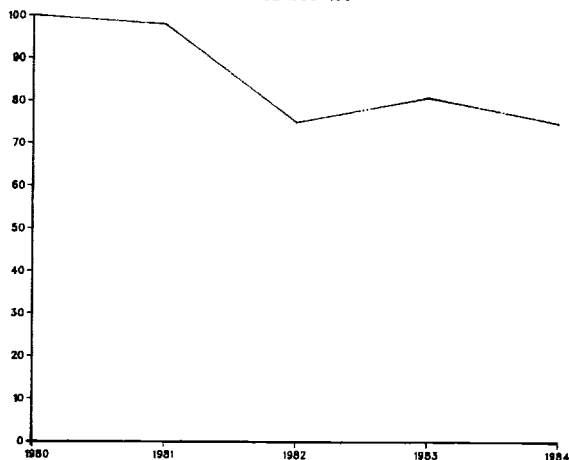
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Reduced Benefits Spur Manpower Exodus

Alfonsin's spending reductions have had a sharp impact on military wages and other benefits. Military

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ARGENTINA:
COST OF LIVING AND SHRINKING SALARIES
BASE 1980=100



Shrinking salaries are at their lowest level in 10 years. The curve shows the decline in purchasing power. [redacted]

ARGENTINA:
MILITARY RETIREMENTS AND RELEASES



Military personnel are leaving the service in growing numbers. Retirements and resignations are at record highs. [redacted]

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officers are leaving in growing numbers to seek jobs in private industry. The well-publicized plight of military personnel has also caused enrollment in military academies to fall off sharply in the past year. [redacted]

The Air Force is coping with the funding cutbacks more successfully than the other two services and has not yet experienced the same massive personnel losses.

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[redacted] however, that this may change abruptly in the coming months as a result of low wages and declining morale. Although most career Air Force officers with 15 to 20 years' experience reportedly do not consider themselves adequately trained for civilian employment, many officers in the 24 to 27 age bracket feel they are still young enough to separate from the service, acquire university degrees, and find civilian jobs. The defense attache believes that, even if only a small number of these young officers are able to make the transition successfully, others will be encouraged to follow. [redacted]

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Ten percent of the Army's noncommissioned officers resigned or requested early retirement in 1984, an attrition rate far above any previous year. [redacted]

[redacted] the main cause was the decline in real wages. Of those who stayed on, many did so only because other jobs are scarce, [redacted]

The Navy lost a third of its noncommissioned officers and about one-fourth of its officer corps in 1984, according to naval officials. Many enlisted technicians also departed. Morale among those still in the Navy is extremely low and resignations are likely to continue, [redacted]

[redacted] some Navy personnel suspect the civilian government is seeking to dismantle the armed forces by withholding funds and thereby compelling people to resign. [redacted]

Many officers and NCOs who remain in the armed forces also seek civilian jobs, [redacted]

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[redacted] Some commanders release personnel from their duties to pursue such work. In the Air Force, moreover, many servicemen request advance notice of transfers so that they can seek outside employment in the area of the new assignment. [redacted]

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Declining Capabilities

The budget cuts have also had a severe impact on operational readiness. The three services have suffered setbacks in a variety of areas, including training, maintenance of equipment, and logistics.

[redacted]

Army. The Army, which has received about 40 percent of the national defense budget in recent years, has been allocated only 30 percent under Alfonsin's 1985 budget proposal. [redacted] the remaining 10 percent will be given to the Navy to help pay its debts for past purchases of foreign equipment.) In addition, [redacted] government has limited the Army's conscriptions in 1985 to 35,000—about half the annual number of draftees in recent years. The administration reportedly has also shortened the normal one-year conscript tour to four months. [redacted]

These reductions have severely weakened the Army,

[redacted] Many Army posts have been closed down, and, at those that have remained open, NCOs and officers perform duties normally reserved for conscripts. [redacted]

Equipment maintenance has declined alarmingly because of the growing shortage of technical personnel. [redacted] Army officers are concerned that the deterioration of equipment will accelerate during the coming winter.

[redacted]

Army logistics also appear to be breaking down. In early January, suppliers cut off deliveries of foodstuffs because of the Army's failure to pay its bills. Deliveries were resumed after the Ministry of Defense guaranteed payment, but press reports indicate that the government reneged and supplies were suspended again later in the month, forcing many units to draw on emergency rations. Supplies of uniforms and fuel are low, and, in some units, electricity and gas are cut off at night to reduce utility bills. Finally, ammunition stockpiles are seriously depleted, which has restricted training [redacted]

[redacted]



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Many military facilities have been forced to close because of a lack of operating funds. [redacted]

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Navy. The Navy also has been forced to make dramatic cuts to stay within the constraints of the reduced budget. Because of a slowdown ordered by the Navy Chief of Staff in at-sea exercises from December 1984 through February 1985, for example, two-thirds of the fleet was out of operation at any

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given time during this period. Moreover, naval ships sailed an average of only 10 days in 1984; they require at least 60 days per year at sea to maintain proficiency, [redacted] With further funding cuts likely in 1985, most of the Navy's ships probably will lack the fuel and trained personnel to carry out exercises at sea. [redacted]

Combat systems aboard naval vessels are deteriorating rapidly, [redacted] Argentina's British-built Type 42 destroyers seem to be in the worst shape. The United Kingdom's continuing ban on military equipment sales to Argentina has left the Navy without spare parts for these destroyers. [redacted]

Naval flight training has also suffered major cutbacks, [redacted] the country's naval pilots require a minimum of 300 hours per year to maintain proficiency. Flight hours reportedly were cut well below this level in 1984 for almost all units. Moreover, no naval air units met the required number of hours for night flying. [redacted]

[redacted] the Navy has placed at least three of its 14 Super Etendard fighter aircraft in long-term inactive status because of a lack of funds to fly and maintain them. Only a small number of the best Super Etendard pilots are maintaining their proficiency; the rest are attending various military schools. [redacted]

Lack of funding is beginning to affect the Navy's performance and participation in joint exercises with foreign navies. For example, Argentina's performance last year in "Operation Fraternal," a joint exercise with Brazil's Navy, showed the effects of financial stringencies and loss of trained personnel. According to press reports, Brazilian sailors were able for the first time to outperform the Argentines with regard to speed and precision in weapons use—an embarrassment for Argentina, given the historical rivalry between the two services. The Argentines, out of resentment over the pro-British stance of the United States during the Falklands conflict, have not

participated in the joint US-South American UNITAS naval exercises since the war. [redacted] however, that funds that were to have been available for Argentine participation in the exercises in 1985 had been reallocated to financially strapped naval maintenance accounts. [redacted]

Air Force. Argentina's Air Force has sharply cut its flight training. Flying time for Mirage fighter aircraft is now limited to eight hours per month, compared to 18 in 1984. [redacted] the Air Force has also reduced flying time for its Skyhawk fighters. Some A-4 squadrons, however, are limiting total flight hours as ordered, but increasing the number of flights to ensure that the maximum number of pilots is able to maintain proficiency. [redacted]

There is evidence of growing concern within the Air Force about maintenance. [redacted] in late 1984 some personnel were refusing to fly, fearing that the danger of malfunctions was increasing due to maintenance cutbacks. [redacted]

Lack of funds is forcing the Air Force to reduce spending in several other areas. [redacted] Air Force representation at military attache offices overseas has been substantially reduced. The Air Force is also canceling participation in training programs abroad. Older aircraft are increasingly cannibalized for parts because of the lack of funds for spares. According to Argentine press reports, Air Force firing exercises have been sharply reduced because of shortages of ammunition, and Air Force officials have ordered drastic reductions in electricity, gas, and paper usage. [redacted]

Impact on Arms Acquisitions

The Alfonsin government is looking for new ways to generate income to help cover military costs. These include increased emphasis on finding export markets for Argentine-manufactured weapons and efforts to sell off old equipment as well as some of the newer weapon systems acquired in the 1970s. The Air Force has put Mirage III aircraft on the international market, and its offers to sell Argentine-made Pucara

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aircraft include those already in its inventory. The Navy is trying to sell at least some of its four new Meko-class frigates and possibly its two recently acquired West German-built TR-1700 submarines. Two British-built destroyers and two West German-customers can be found. In addition, state-owned shipyards have begun seeking construction contracts abroad. [redacted]

[redacted] we do not

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In 1982, Argentina contracted to purchase from Israel a number of A-4 fighter-bombers, which are subject to US reexport restrictions. The United States, responding to a request from the British Government to halt military sales to Argentina as a result of the Falklands conflict, has refused to permit delivery of the aircraft. Argentina, which has paid for the A-4s and says it cannot recoup the funds from Israel, has pressed Washington for release. As the effects of additional budget cuts are felt in 1985 and arms acquisitions remain suspended, Argentina is likely to step up its efforts to obtain these aircraft. [redacted]

believe that budget cuts alone will lead them to confront Alfonsin any time soon. The armed forces remain widely discredited by their performance in office, past human rights violations, and the Falklands debacle in 1982. Many of Alfonsin's potential military challengers have been forced out of the service, and others are divided and demoralized. In the coming months there may be small-scale mutinies within military garrisons, but they are unlikely to threaten the government. We believe, however, that the danger of a military move against the administration will grow over time if protracted military belt-tightening is accompanied by further deterioration of the Argentine economy, widespread labor unrest, and renewed terrorism that the civilian administration is unable to contain. [redacted]

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Outlook

In our view, the military budget squeeze will continue for the next two years at least. Although leaders of the armed forces are likely to continue criticizing the budget cuts, Alfonsin is determined to rein in military spending as part of his overall austerity program. Military manpower levels probably will continue to decline as low salaries and depressed living and working conditions encourage more retirements and discourage new enlistments. Equipment maintenance will continue to deteriorate, further reducing operational capabilities. The proficiency levels of pilots and other skilled personnel will suffer further as more training restrictions are implemented. [redacted]

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El Salvador: Insurgency Indicators

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On the basis of a reapplication of the late-stage indicators to the Salvadoran insurgency, we believe the government's situation has generally improved since we first applied the indicators in March 1983. The progress of the Magana and Duarte administrations has been slow but steady in three of the four major categories used to measure insurgent success. Evidence of improved government performance has resulted in increased confidence in government capabilities with respect to nine of the 14 indicators we examined. Two indicators—lack of sufficient government troops for counterinsurgency and the recent coup plotting by some military elements—give the extreme left some opportunities; nevertheless, this is down from four indicators in 1983.

The guerrillas, however, remain a formidable enemy. Despite continuing ideological disagreements, personalistic differences among their leaders, and frequent lapses in tactical coordination, the five armed guerrilla factions are still able to mount fairly large military operations and continue to dictate the terms of most insurgent-government military confrontations. Furthermore, guerrilla leaders have to be encouraged by President Duarte's recent collisions with the armed forces and the Constituent Assembly, which underscore the fragility of his whole administration. Nevertheless, the positive changes over nearly two years lend credence to the view that time is increasingly on the side of the government.

Domestic Support for the Government

the government gained in popular support under both Magana and Duarte, while support for the guerrillas may now be at an alltime low. Evidence for this judgment has been considerable during the past year. we concur with US Embassy estimates of last summer indicating that a political party representing the guerrillas or acting as

Late-Stage Indicators of Insurgent Success

An analysis of historical cases indicates that a common pattern of behavior and events characterizes the defeat of a government battling an insurgency. This pattern comprises four categories of developments:

- *Progressive withdrawal of domestic support for the government.*
- *Progressive withdrawal of international support for the government.*
- *Progressive loss of government control over population and territory.*
- *Progressive loss of government coercive power.*

These categories include a total of 14 interrelated and mutually reinforcing indicators of prospective insurgent victory. Historically, the indicators have not appeared in any single order. Moreover, while no single indicator can be considered conclusive evidence of insurgent victory, all indicators need not be present for a government defeat to be in progress. While the indicators are designed to identify a progression of events typical of the final stages of a successful insurgency, this progression is not inevitable. Effective government countermeasures can block the evolution of an insurgency and shift its momentum. Government countermeasures, combined with some important insurgent failures, are precisely what we believe have happened in El Salvador since we last applied these late stage indicators in 1983.

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their front in a national election probably would garner only 5 to 10 percent of the vote. This view was supported by three nationwide polls (conducted in May-June 1983, September-October 1983, and January-February 1984) that found substantially

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more sympathizers for the Army—about 75 percent on average—than the guerrillas who averaged less than 10 percent. Some 10 to 15 percent of the population ventured no opinion. [redacted]

We believe several government efforts have contributed to the increase in domestic support:

- The government, along with the military, has worked hard to build on the socioeconomic reforms of 1980 and continues to demonstrate its commitment to the democratic process. The 1982 electoral repudiation of the insurgents was repeated again in 1984 when more than 80 percent of the electorate risked guerrilla harassment and sabotage to cast ballots. Overt political support for the guerrillas has almost disappeared because of several factors, including guerrilla tactical reversals and the improved human rights situation.
- The government has demonstrated its willingness to take risks and instigate bold initiatives to increase its popular appeal. The olive branch offered the guerrillas by opening a dialogue with the guerrillas is one example.
- Although the payoff has been gradual, nearly 600,000 campesinos have benefited from agrarian reform. Moreover, programs like the National Campaign Plan—although only a partial success—and the new Civil Defense Corps have begun to stimulate local community spirit. [redacted]

We also believe the government, in the past year, has benefited significantly from the insurgents' increasing reliance on intimidation and economic targeting. Large numbers of rural poor continue to be the daily victims of roving bands of guerrillas. "War taxes" are collected at gunpoint along the major highways, while numerous small towns and farms have been attacked or overrun and foodstuffs and other basic necessities expropriated. Popular discontent with the insurgents may have reached its height last year when, according to US Embassy and Salvadoran officials, guerrillas forcibly recruited nearly 3,000 people, including a large number of schoolchildren. [redacted]

Recent insurgent claims of progress in regaining popular support are not corroborated by any of our key reporting channels. Defector reports show that

guerrilla leaders from all five insurgent factions agree they must make a concerted effort in the coming year to win back sympathizers in both the major cities and in, heretofore, relatively stable departments in the western part of the country. How they plan to accomplish this task remains unclear. [redacted]

International Support for the Government

The government's standing in the international community has also improved. [redacted] the 1984 presidential election, coupled with Duarte's solid diplomatic performance during his travels to Europe, the United States, and South America, has resulted in a significant drop in levels of political and financial aid to the insurgency from several international donors, particularly in Western Europe. Captured documents indicate that the insurgents are concerned by the government's growing international legitimacy and are frustrated by their inability to reverse these gains. We believe a heightened guerrilla propaganda campaign for much of 1984—designed to undermine international support for the government—accomplished little, while a more mobile and more aggressive Salvadoran military was able to blunt or turn back a number of large- and intermediate-sized insurgent attacks. [redacted]

Cuba and Nicaragua remain the principal supporters and conduits of resupply to the guerrillas.¹

[redacted] periodic lapses in the Havana-Managua pipeline which, in addition to more aggressive government operations, help explain the relatively limited insurgent operations of the past year. [redacted]

¹ On the basis of [redacted] arms transfers and insurgent logistic activity, as well as tabulations of government weapons lost in combat, we estimate that roughly three-fourths of all guerrilla ammunition needs and substantial amounts of basic necessities are funneled through the Havana-Managua pipeline. [redacted]

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Government Control Over Population and Territory

During the past year, the government has made the most progress in the area of political-military control over the population and territory. In part, we believe, this improvement has been a result of the insurgents' inability to provide security for the population in areas they occupy and their failure to offer viable alternatives to the government's economic and social programs. The government, however, has become increasingly active and is responsible for many of its own gains:

- Increasingly aggressive military tactics no longer concede any base areas to the guerrillas. For example, the traditional insurgent stronghold north of the Torola River was attacked and occupied by government troops on several occasions during 1984 and early 1985.
- Duarte has placed considerable emphasis on human rights. Strict new bombing guidelines for the Salvadoran Air Force and a major restructuring of the public security force have, in the words of one of the country's leading intellectuals, "markedly decreased the climate of repression."
- Peace has returned to the country's universities, former centers of leftist organizing. The country's largest—the University of El Salvador—reopened in September after a four-year closure. There are recent signs, however, of renewed unrest.
- The government has eased the burden of some 500,000 people internally displaced by the war. About 75 percent of all displaced persons receive at least some food, clothing, and medical assistance from a national government commission, while the remainder receive comparable benefits from private voluntary organizations like the Catholic Church and the International Red Cross.
- The government has tried its hand—with limited success—at rebuilding in several war-torn areas. In San Vicente and Usulután, where the National Campaign is under way, several towns have been rebuilt, numerous roads resurfaced, and a large number of schools and medical facilities reopened.

[Redacted]

In the last election, insurgent forces prevented voting in 53 towns—approximately 20 percent of the national municipalities. However, in 10 of the 53 towns people were able to take advantage of alternate voting facilities in neighboring villages. Most of the other towns—traditional "backwaters" virtually devoid of the country's major cash crops or other strategic resources—had largely been abandoned. In Chalatenango and northern Morazan, where about three-fifths of the nonvoting towns are located, aerial photography confirms a landscape of destroyed and vacant villages. [Redacted]

The guerrillas' ability to attack the country's economic infrastructure remains a potent weapon. Only heavy infusions of US aid have kept the economy from deteriorating further. From the government's perspective, however, there may be some hope. Following a 25-percent decline in the first three years of the insurgency, GDP has remained constant for the past two years. [Redacted]

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Government Coercive Power

Our estimates of total guerrilla strength have remained in the 9,000 to 11,000 range for several years. The insurgents attempted to bolster their ranks through forced recruitment last summer, [Redacted]

[Redacted]

[Redacted] In late 1983 we revised our estimate of well-armed, well-trained, combat-experienced guerrillas from 4,000-6,000 to 6,000-8,000. Defector reports and captured documents [Redacted] indicated this increase was a result of the integration by the guerrillas of militia into combat units. We have seen no evidence, however, that would lead us to similarly revise our estimate of overall guerrilla strength. [Redacted]

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At the same time, the Salvadoran military and security forces have grown dramatically, from approximately 32,000 in mid-1983 to about 45,000 today. Increasingly aggressive tactics by the

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Salvadoran Army, including psychological operations and closer coordination between air and ground units, have kept the insurgents largely on the defensive since mid-1983. Some of these issues were addressed in mid-January by Guillermo Ungo, head of the Revolutionary Democratic Front, the overt political arm of the insurgency. [redacted]

[redacted] Ungo believes that the Salvadoran Army is substantially improved over past years and that there is almost no chance of a short-term insurgent victory. He also noted that guerrilla combat units had suffered some important breakdowns in leadership and morale, and that some members are currently considering leaving the armed struggle. Nevertheless, we believe the transition of the Salvadoran military into an effective counterinsurgency force is still under way and remains dependent on continued improvement in leadership capabilities and on obtaining the force levels needed to saturate the countryside. [redacted]

The military appears to have grown accustomed, if not comfortable, with its new relationship with civilian authority. We base this judgment on the general pattern of behavior within the defense establishment over several years [redacted]

[redacted] that we believe reflects the thinking of many key senior officers. Several uncharacteristic miscalculations by Duarte at the close of 1984, however, have underscored the president's strained relations with the military. His abortive intervention in the promotion process, in particular, reinforced fears among the top brass that he will try—if not checked—to usurp institutional prerogatives. There is also discontent among several top field commanders, who feel that the president's consultations with them since the first two rounds of the peace talks have been inadequate. [redacted]

Duarte's current position with civilian authorities is also strained. Angered legislators challenged Duarte's efforts to exercise a partial veto of the electoral law and appear to be supported by the majority of the cabinet who, [redacted] refused to endorse the revised bill and termed the process "unconstitutional." This judgment recently was upheld by the Supreme Court, which found the veto unconstitutional but not Duarte's action in casting it. [redacted]

Despite recent challenges to Duarte's authority, we believe there is little immediate threat of a coup. Nevertheless, extremist and moderate forces on the right, both civilian and military, have found some important issues to rally around. As a result, Duarte will have to move cautiously and avoid provoking his many critics throughout his administration. [redacted]

[redacted]

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Mexico: Trouble Ahead in Sonora [redacted]

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In July, Mexico will hold elections for seven governorships, all seats in the lower house of the congress, and many local offices. Nowhere will the ruling Institutional Revolutionary Party (PRI) face stiffer competition, in our judgment, than in the northwestern border state of Sonora. The opposition National Action Party (PAN) gubernatorial candidate, Adalberto Rosas Lopez, is well known throughout the state and highly popular, according to a variety of sources. In contrast, the ruling party candidate for governor, Rodolfo Felix Valdes, has not lived in the state since 1941 and does not command the support of a united party organization. Although Rosas probably would win a fair election, we expect the ruling party to take whatever measures are necessary to retain control of Sonora's statehouse. As a result, civil disturbances are likely, and the government probably will have to call upon local security forces and the Army to maintain order.

[redacted]

An Atypical State

Sonora, which borders Arizona, is Mexico's second-largest state, encompassing almost 10 percent of the country's land area. It is sparsely populated, however, containing approximately 1.7 million of Mexico's 78 million people. Known for its sprawling ranches and farms, the state has an economy largely based on cattle raising, crop production on irrigated lands, mineral extraction, shrimp fishing, and tourism.

The state also has a reputation for having an independent-minded citizenry. Sonorans reportedly are proud the Mexican Revolution began in their state and that four of the country's Presidents—Huerta, Obregon, Rodriguez, and Calles—were Sonorans. In addition, President Plutarco Elias Calles founded the PRI in 1929.

Although the ruling party has long dominated Sonoran politics, the center-right PAN in recent years has made significant inroads. It now controls three

cities: Hermosillo, which is the capital, San Luis Colorado, and Agua Prieta. We believe, on the basis of a variety of reports, that the PAN would have captured additional municipalities had honest elections been held in 1983, when Sonorans last went to the polls.

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Ruling Party Disarray

The division of the ruling party in Sonora into two antagonistic factions detracts from Felix's electoral prospects. The contending blocs—the Grupo Revolucionario Cardenista and the Grupo Revolucionario Soronense—have long had personalistic and other differences and have been unable to work together effectively. Moreover, both appear unenthusiastic about the Felix candidacy, fearing that if elected he will replace the present party leadership with his own followers, according to the US Embassy.

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The ruling party also has been hurt by its declining popularity in Sonora during the past several years. The dissatisfaction has been caused by rising inflation, the reduced purchasing power of the peso, and shortages of some consumer goods. Even though Sonorans generally have fared better than most Mexicans during the country's economic crisis, many reportedly judge their well-being in relation to conditions in the United States.

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President de la Madrid's selection of an outsider as a candidate for governor last November also has undercut support for the ruling party. The President's choice apparently was based on his belief there was no leader in the state who could unite the party. Felix, a 62-year-old engineer, was then serving in Mexico City as Minister of Communications and Transport. De la Madrid probably was aware of Felix's reputation for

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being a shrewd middle-of-the-road politician [redacted]
[redacted]

Nevertheless, the perception of Felix as a carpetbagger has prevented his campaign from catching fire, according to the Embassy. Although he has few political enemies in the state, he also has few friends and lacks the enthusiastic support of either state party leaders or the electorate. When on the stump, he reportedly often addresses audiences as "You Sonorans," suggesting he too views himself as an outsider. [redacted]

The PAN Threat

[redacted] Rosas, the PAN gubernatorial candidate, is widely respected in Sonora and has the strong support of the state party organization. Rosas, who is 42 and an agronomist by vocation, formerly was the PAN mayor of the state's second-largest city, Ciudad Obregon. He is said to be an electrifying public speaker with a charismatic personality. [redacted]

Rosas has been actively campaigning for the past 18 months; he has walked and jogged 750 miles across the state to meet voters and draw attention to his candidacy. Rosas directs his appeal primarily to young professionals, business people, and urban workers, but appears to have broader support. In his speeches, he is supportive of free enterprise and favors freer trade with the United States. [redacted]

Election Tactics

The ruling party will use a variety of tactics in an effort to win a resounding victory in Sonora. Felix is likely to run a well-financed campaign, with much of the money coming from Mexico City, [redacted] [redacted] Shortly after his return to the state late last year, numerous highway billboards were erected extolling the achievements of the ruling party, and additional funds became available to transport voters to party rallies around the state. [redacted]

The incumbent party also will increase efforts to discredit the PAN by portraying it as a tool of big business and the United States. As in the past, the official Mexican press will denounce meetings of US diplomats and PAN leaders as evidence of US

collusion with the opposition. Ruling party officials also are likely to fan rumors the government would cut funds to Sonora if PAN were to occupy the statehouse. They will remind voters that Felix, as a former Cabinet member, has better access to Mexico City and is in a superior position to lobby for public works projects. [redacted]

In addition, the ruling party will use its control of the state government to advantage. It can count on the legislature to reject petitions from opposition groups complaining of election fraud. The legislature already has granted a waiver allowing Felix, who until last December was a nonresident, to run for office. Two years ago, it charged Rosas with contempt for alleged irregularities he committed while mayor of Ciudad Obregon. The quasi-independent Mexican judiciary, however, last month overturned his conviction and 31-month prison sentence. The decision, which would have barred him from running for office had it gone the other way, appears to remove any legal impediment to his seeking the governorship. [redacted]

Prospects

We lack reliable poll or other data that would indicate the present strength of the ruling party, the PAN, or other opposition forces in Sonora. [redacted] [redacted] most ruling party officials in the state as of last January expected the PAN to receive a majority of the votes cast. We believe that as of now the PAN would win at least a plurality. [redacted]

Nonetheless, we think it unlikely the ruling party will surrender the statehouse in Sonora or in any other state in 1985. Since 1929, the ruling party has never lost a governorship. [redacted] [redacted] Mexico's leaders have decided all measures must be taken to assure the PRI retains control of all statehouses in 1985. Even PAN leaders concede they would have to win by a landslide for the government to acknowledge their victory. [redacted]

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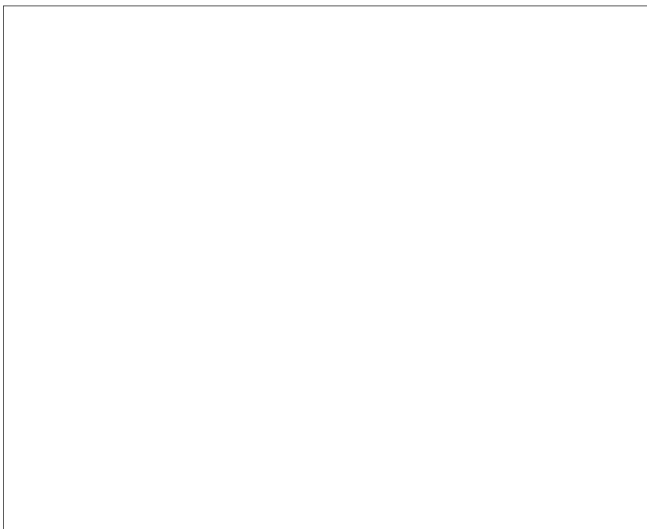
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The fact that there is considerable PAN sentiment in Sonora and that Sonorans have a history of political activism suggests there is a strong likelihood of civil disturbances in the period surrounding the elections.

In our judgment, violence probably will erupt spontaneously in association with campaign rallies, incidents at polling places, seizures of public buildings, or the blockading of highways and bridges.

We expect civilian security forces and the Army to be able to contain any disorders so long as they remain localized.

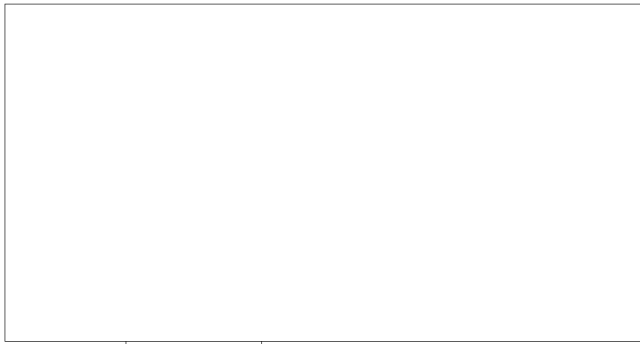


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Panama: Barletta's Uncertain Future [redacted]

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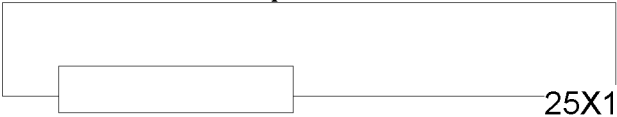
President Nicolas Barletta. [redacted]

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Critica ©

The fate of Barletta, a technocrat elected without a strong popular or party constituency of his own, rests in large part with the military. Defense Forces Chief Noriega handpicked Barletta and appears reluctant to remove him at present, but his tenure is far from secure. If dissatisfaction with the economic and political malaise again leads to substantial civil or military unrest, Noriega may feel that he can force Barletta out with little political backlash. The

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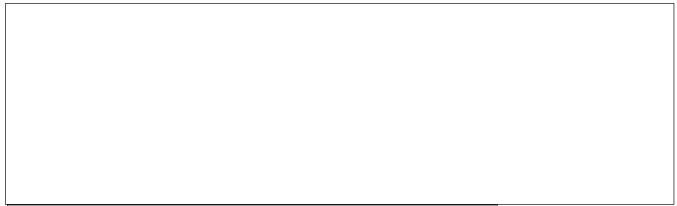


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loyalists by ignoring their role in his election when he appointed technocrats and confidants to his Cabinet in their stead. Furthermore, with the assistance of only a few close advisers, he designed a new tax on services and maneuvered its passage in mid-November through the lameduck Legislative Council. Barletta subsequently was forced to withdraw the tax following large public protests. [redacted]

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President Without a Mandate



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[redacted] Barletta only eked out a 1,713-vote margin of victory. Barletta's absence from Panama for five years while serving with the World Bank left him without significant political allies save for Noriega, who presumably selected Barletta in part because he believed he could exert substantial influence over him. [redacted]

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Opposition Multiplies



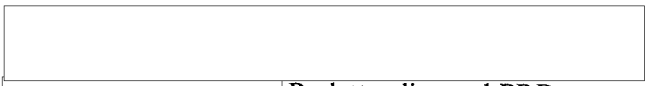
[redacted] led to the rise of a new political opposition group and an intensification of opposition activities across the board. The National Civic Coordinating Committee (COCINA), an umbrella group of middle-class professionals, organized two large demonstrations and a series of work stoppages in December. The opposition parties, including the major Panamenista Party and the Christian Democrats, have begun to make common cause with COCINA by sending party leaders to its rallies. Opposition to Barletta spread within the PRD, and by February the party had stolen the President's

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Barletta alienated PRD

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initiative on new tax legislation. [redacted]
[redacted] party members worked together to resolve budget demands and coordinate a strategy to pass the final plan. [redacted]

October, Noriega publicly promised to take a "rear guard" position behind the new civilian government, and recent news articles tell of continuing military efforts to disassociate itself from Barletta's mistakes. Noriega also encouraged the PRD to organize a progovernment demonstration and has used the progovernment press to increase popular support by publicizing the benefits gained from the military's civic action projects in rural areas. To divert attention from the size of the military budget, he has agreed to disclose some line items. [redacted]

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Outlook

Although the Barletta government still faces financial difficulties, we believe the President probably will be able to muddle through at least the next few months. Noriega appears to be biding his time, [redacted] he has ruled out a military takeover for the time being. Moreover, consensus on a method and individual to replace Barletta without further damaging the military's image has yet to emerge. The Defense Chief is likely to weigh the importance of protecting Panama's international banking establishment and the US commitment to President Barletta against a new government whose prospects for success may be no greater. [redacted]

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COCINA led the assault on the military but has been quickly joined by others. Leaders of the opposition political coalition regard the country's central problem as the Defense Forces and their stranglehold on political power, according to US Embassy reporting. COCINA has threatened the government with further civil unrest if it fails to eliminate waste and corruption, recover embezzled public property, and reduce the military budget. [redacted]

For its part, the political opposition, despite its numbers, is without a well-defined strategy for achieving its goals, according to the US Embassy. Public enthusiasm for a new round of protests is likely to be weak in the near term because the lengthy public debate may increase the reluctance of the middle class to repeat last fall's strikes. [redacted]

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Limited Options for the Military

With criticism of the Defense Forces growing, military support for Barletta has declined. Military officers have held a series of meetings recently and have begun to express their dissatisfaction to Noriega. [redacted]

Nevertheless, growing popular anxiety and military dissatisfaction, coupled with Noriega's own pessimistic view of economic prospects, increase the likelihood that the Defense Chief may force a change in the government. [redacted]

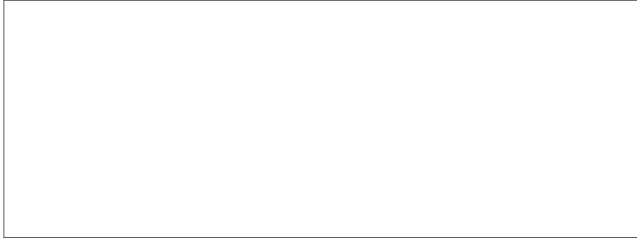
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Noriega has tried—although with little success—to distance the Defense Forces from criticism resulting from actions taken by the President he selected. Last

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In addition, if the military as an institution or his own position in the Defense Forces is threatened by the President's continued ineptitude, Noriega probably will seek his removal. Similarly, if demands for his ouster lead to widespread civil unrest, the Defense Chief probably will act. Because Barletta has resigned twice from Cabinet-level positions in the past when his advice was ignored, it is possible he may step down in the face of continuing frustration and impotence.



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South America: Trends in Naval Modernization in the Andean Region []

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Over the past decade, Chile, Peru, Ecuador, Colombia, and Venezuela have developed relatively small, but modern navies featuring antiship cruise missile weapon systems. These forces efficiently perform their coastal defense mission and cooperate effectively with the US Navy for hemispheric defense.

Before the development of miniaturized onboard guidance systems, guns were the decisive factor in naval surface warfare. Combat effectiveness was directly proportional to the size of guns, and thus naval power lay with big ships and with nations possessing the technology and economic strength to build and support large fleets.

In recent years, however, the combination of modern technology and West European manufacturers in search of markets has enabled even financially strapped countries in Andean South America to develop relatively potent navies. Rather than purchase large warships, these countries have opted for smaller vessels such as destroyers, frigates, corvettes, and fast-attack craft to meet their coastal defense requirements. Only Peru, which owns two cruisers, maintains large warships. Through the acquisition of antiship cruise missiles and shipborne helicopters, these navies have achieved significant destructive power.

Cruise Missiles and Helicopters

The navies of all five countries have purchased either Exocet or Otomat antiship surface-to-surface cruise missiles (SSMs). These so-called fire and forget missiles are fast moving, sea-skimming, and are equipped with guidance systems that enable them to home on the target without continuous monitoring.¹

¹ Western antiship cruise missiles have relatively small warheads; consequently, multiple hits normally are required to sink large ships. Single hits can, however, cause fires; knock out sensors, weapons, controls, and communications equipment; or otherwise incapacitate large ships. The cruise missile is aided in this mission by its accuracy and by its capacity to be clustered in relatively large numbers on small vessels.

This allows the launching craft to engage several targets simultaneously or to take evasive action. Chile and Ecuador also rely on the less advanced Mk.1 and Mk.2 versions of the Israeli-made Gabriel missile.

Shipborne helicopters are a valuable addition to the Andean countries' missile-equipped vessels because of their utility in patrolling and scouting coastal areas. In an over-the-horizon attack, the helicopter scouts for targets beyond visual and radar range and transmits range and bearing data to the ship, which can fire its missiles without exposing itself to the enemy. The Teseo version of the Otomat missile—used by Peru and Venezuela—has a midcourse correction capability that enables a helicopter to transmit updated targeting data to the missile while it is in flight, thereby allowing engagement of enemy ships at extended ranges.

Neither of Peru's cruisers is currently missile armed, but one of the ships—the Aguirre—has been converted to accommodate helicopters that are capable of carrying Exocet missiles. The other cruiser, the Almirante Grau, is scheduled to undergo two and one-half years of extensive modernization in a Dutch shipyard beginning this year. [] the Grau will be upgraded by adding Otomat antiship cruise missiles and an Italian-designed Albatros surface-to-air missile (SAM) system.

Antiship Cruise Missile Defense

Because the antiship cruise missile is relatively invulnerable to conventional antiaircraft guns and missiles, all of the Andean navies have adopted new

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ALA LAR 85-007
15 March 1985

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Table 1
Antiship Cruise Missiles Deployed in Region

	Range (km)	Speed	Warhead (kg)	Comments
Exocet				
France				
MM-38	42	Mach 0.93	165	Medium range, ship launched
AM-39	50-75	Mach 0.93	165	Medium range, air launched
MM-40	70	Mach 0.93	165	Longer range, ship launched, over-the-horizon capability
Otomat				
France and Italy				
Mk.1	60	Mach 0.82	210	Medium range, ship launched
Mk.2	180-200	Mach 0.82	210	Long range, ship launched, over the horizon; Teseo has a midcourse correction capability
Gabriel				
Israel				
Mk.1	20	Mach 0.6	150	Short range, ship launched
Mk.2	36	Mach 0.7	150	Medium range, ship launched

approaches to counter it. Passive techniques such as the use of chaff, decoys, and electronic jamming—employed by Colombia and slated for use by Peru—are designed to confuse the SSM's guidance system. Automatic cannons or surface-to-air missiles are also used by all the countries to try to shoot down the SSM. Advanced fire-control radars that can track sea-skimming cruise missiles are the heart of these systems. The Albatros system provides cruise missile defense for all the navies in the region except Chile, which uses the older, British-designed Sea Slug and Sea Cat surface-to-air missiles. The Albatros consists of a multiple launcher for Aspide surface-to-air missiles that can be coordinated with existing gunfire-control systems.

Outlook

The budgetary crunch throughout the Andean region strengthens the likelihood that local navies will emphasize their current small-ship strategy for the rest of the decade. Western Europe probably will remain the chief supplier of warships either through direct sales or licensed production. The latter approach is an especially attractive alternative for Peru and Chile because they already have the capability to build modern ships. Sophisticated equipment such as sensors and propulsion systems will probably continue to be obtained from Western

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Table 2
Antiship Cruise Missile-Equipped Vessels

Country	Class	Year Built	SSM	SAM	Helicopter Capability
Chile					
	2 Destroyers	1970	4 Exocet MM-38	Sea Slug/Sea Cat	2
	2 Destroyers	1960	4 Exocet MM-38	Sea Cat	None
	2 Destroyers	1944	4 Exocet MM-38		2
	2 Frigates	1974	2 Exocet MM-38	Sea Cat	2
	2 Fast attack	1973/74	6 Gabriel		None
Colombia					
	4 Frigates	1983/84	8 Exocet MM-40	Albatros	4
Ecuador					
	6 Corvettes	1982/84	6 Exocet MM-40	Albatros	6
	3 Fast attack	1976/77	4 Exocet MM-38		None
	3 Fast attack	1971	4 Gabriel		None
Peru					
	1 Cruiser	1944	Can accommodate 3 of 9 Exocet-capable (AM-39) helicopters		
	1 Cruiser	1950	Scheduled to be refitted with Otomats by 1987		
	2 Destroyers	1953/54	8 Exocet MM-38		None
	4 Frigates	1979/84	8 Otomat, Teseco	Albatros	4
	6 Fast attack	1980/81	4 Exocet MM-38		None
Venezuela					
	6 Frigates	1980/82	8 Otomat, Teseco	Albatros	6
	6 Fast attack	1974/75	2 Otomat, Teseco		None

suppliers. Navies in the Andean region probably also will continue to rely on antiship cruise missiles as their primary surface-to-surface weapons, particularly in light of the success of Argentine Exocets against British naval forces during the Falklands war. Finally, the worldwide naval dominance of the major powers probably will further erode as technologically advanced weapons give relatively small navies the capability for extended range strikes.

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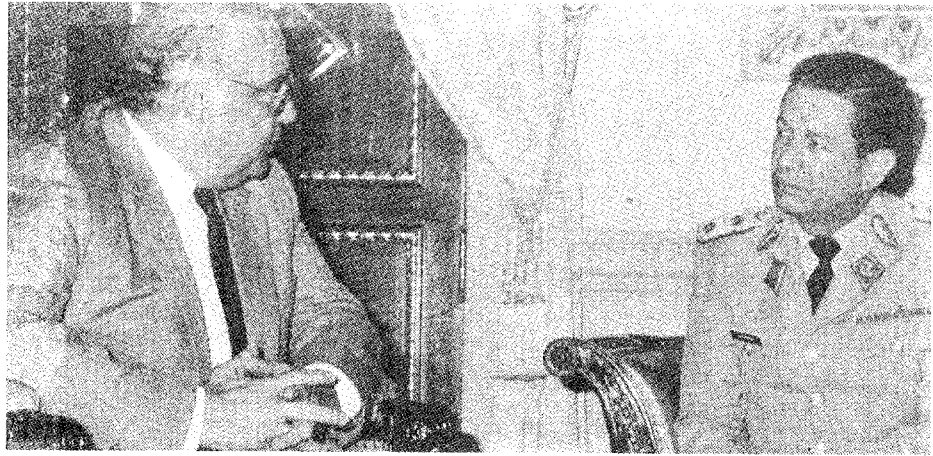
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Latin America Briefs

Venezuela

Scandal Strains Civil-Military Relations

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President Lusinchi meets with Army Commander Olavarria at the presidential palace.

The Daily Journal ©

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The slaying last month of Juan Luis Ibarra Riverol, a lawyer investigating allegations of high-level corruption involving three former defense ministers, has aroused public indignation and threatened to strain relations between the military and the government. President Lusinchi's skillful handling of the matter is assuaging the military, but the scandal will further erode declining public respect for Venezuela's judicial system.

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The US Embassy reports that the case is now receding from the front pages of Venezuela's leading newspapers. The high command, however, feared that earlier press speculation over possible military responsibility for the crime could damage the military. The generals reportedly urged Lusinchi to protect the armed forces from defamatory attacks and charges of corruption. The President promptly met with representatives of the media and asked them to show restraint in covering the judicial proceedings. In addition, other senior leaders of the ruling Democratic Action party expressed strong public support for the military.

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The government's apparently successful effort at damage limitation underscores the mature relationship that exists between Venezuela's civilian and military leaders. Nevertheless, the Ibarra killing—the third prominent lawyer involved in a

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ALA LAR 85-007
15 March 1985

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government corruption case to be murdered in recent years—has shaken public confidence in the judicial system and may diminish public respect for the armed forces. [redacted]

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Brazil**Congress Elects Officers** [redacted]

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President-elect Tancredo Neves's Democratic Alliance secured most of the leadership positions in the Senate and the Chamber of Deputies when the two bodies elected officers late last month. In the Senate, the Alliance's two component parties—Neves's ideologically diverse Brazilian Democratic Movement Party (PMDB) and the centrist Liberal Front—won six of seven contests. Internal dissension, however, diluted the victory. Some Alliance senators defected and helped elect the only noncoalition officer, a member of the military government's Social Democratic Party (PDS). Moreover, a majority of PMDB senators rejected the party leadership's choice for Senate president and substituted their own candidate, who won the post by a vote of 38 to 29. [redacted]

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The Alliance leaders also encountered stiff resistance in the Chamber of Deputies elections. The Liberal Front supported the candidate favored by Neves and other PMDB leaders for president of the chamber, but the PMDB split. Reportedly angered by Neves's failure to consult more extensively with rank-and-file PMDB members on congressional matters, a sizable faction obtained support from several small leftist parties for its own candidate. To counter the PMDB mavericks, the party's leaders promised Social Democratic Party bosses several key posts in return for their backing. Although PDS former presidential candidate Maluf rejected this accord, it was supported by enough PDS members to enable Neves's candidate—veteran PMDB leader Ulysses Guimaraes—to win by a margin of 245 votes to 210. [redacted]

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The defections may foretell difficulties for Neves in dealing with Congress, even though his coalition holds a majority of the seats in both houses. The US Embassy reports that Alliance members have said they will not provide automatic support to the new government as the PDS did for the military regime. The cooperation between some PDS deputies and the leaders of the leftist parties raises the prospect of left-right collaboration against the new president in the Chamber of Deputies, although signs of discord among the leftists are probably encouraging to Neves. Maluf's control of some 100 deputies makes him a force to be reckoned with in the chamber, according to the Embassy. Neves will need to court not only the non-Maluf PDS legislators but also his own coalition's members as well. He will have to engage in considerable political manipulation and bargaining to avoid legislative paralysis. [redacted]

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Ecuador**French Helicopter Deal** [redacted]

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The purchase of 19 helicopters from France last month will increase the Ecuadorean Army's helicopter force by 50 percent and make it one of the largest and most modern in the Andean region. Senior Army officials may have been

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motivated by their reported concern that the Air Force could not provide tactical air support to Army units. [redacted] the deal includes four Super Pumas for cargo and troop transport, three Ecureuils for scouting and observation, and 12 Gazelle light utility models equipped with HOT antitank missiles. The \$45 million package also includes about 40 missiles and provisions for maintenance and maintenance training—a capability Ecuador currently lacks. The Army made a downpayment of 20 percent; the remaining 80 percent will be financed over a seven-year period to coincide with delivery schedules. [redacted]

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Ecuador currently has 28 Gazelles, but limited seating restricts their use in air-mobile operations. The Army probably would use Gazelles primarily in their antitank role to thwart any Peruvian threat or as a gunship in support of counterinsurgency operations. For the near term, however, a shortage of trained pilots and lack of a well-developed doctrine for helicopter operations probably will restrict the Army's ability to use a helicopter force of this size effectively. [redacted]

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Cuba**Drought** [redacted]

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Reports in the Cuban press indicate that large areas of the island have been suffering from a drought since last May. Havana received only 60 percent of its normal rainfall last year, causing cutbacks in water supplies. In the rural areas, reports indicate that water and food for livestock are in low supply, increasing the risks of drought-induced diseases and blight. Residues from sugar and other crops are being collected to feed some 170,000 head of cattle, and dams have been built in streams at livestock enterprises. The drought has reduced the output of tubers, tomatoes, and other foods, crimping Havana's ambitious new plan to produce more than 33 million quintals of food and vegetables this year. [redacted]

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Dominica**Shaky Opposition Alliance** [redacted]

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Less than two months after its formation, the opposition Labor Party of Dominica—comprised of members of the United Dominica Labor Party and the Dominica Labor Party, as well as some independents—reportedly is experiencing infighting and factionalism that could lead to an early demise of the merger. The dispute has been simmering since late January, when Matthew Joseph outmaneuvered Labor Party leader Michael Douglas for the position of parliamentary leader of the opposition. [redacted]

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Labor Party executive committee responded by voting to expel Joseph from the party, charging him with disloyalty. Douglas reportedly suspects deputy leader Oliver Seraphine—his chief rival for control of the new opposition grouping—of playing a key role in Joseph's victory. [redacted]

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We believe Seraphine's expulsion from the party would signal the end of the alliance and severely jeopardize the opposition's chances of defeating Prime Minister Charles in the national election slated to be held in mid-1985. Seraphine

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still commands a loyal following among former members of the Dominica Labor Party, which he headed for six years until the merger. His departure probably would cause many of these supporters also to leave the new party, creating a situation similar to the 1980 election when disunity and vote splitting led to the opposition's overwhelming defeat. Dissolution of the unity grouping also would terminate continued foreign campaign assistance from Cuba, North Korea, Guyana, and Libya. Promises of such aid were contingent on the opposition's maintaining a united front against the ruling Dominica Freedom Party. Although the threat of an aid cutoff might keep the fledgling alliance intact until the election is held, continued intraparty squabbling will weaken the party's ability to cultivate popular support. [redacted]

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The Bahamas

Changing Opposition Tactics [redacted]

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The opposition Free National Movement (FNM) has switched to more confrontational tactics to force the ruling party to call an early general election, [redacted]

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[redacted] The shift has been spearheaded by the so-called Action Group, a faction of younger, more aggressive members of the FNM. Encouraged by the success of several opposition-sponsored demonstrations against Prime Minister Pindling's government in recent months, the Action Group organized a rally to protest the levy of a toll to cross the Paradise Island Bridge and the \$300,000 "finder's fee" paid to the Prime Minister for the sale of the government-owned bridge. Some 300 demonstrators, led by Free National Movement head Kendal Isaacs and Action Group leader George Wilson, temporarily blocked traffic on the bridge in late January. At a rally held afterward, FNM leaders called on supporters to participate in additional demonstrations. [redacted]

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There are signs that the party may adopt even more confrontational tactics in the coming months. For example, plans by the Action Group to seize the government-controlled radio station in Nassau—originally slated for February, [redacted]

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[redacted]—have been postponed until April or May. [redacted] The group reportedly intends to broadcast its political agenda and to denounce Pindling. [redacted]

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Cuba Chronology

February 1985

- 1 February** The Ministry of Basic Industry announces that production of goods has increased 7 percent compared to last year, and it has set 32 new production records.
- 2 February** Cuba and the USSR sign a protocol in Havana on technical studies for the Havana subway.
- 3 February** In an interview in Havana with editors of *The Washington Post*, Fidel Castro says "we are not impatient, nor are we anxious" for an improvement in relations with the United States.
- Castro reiterates his willingness to exchange views with the United States on any topic.
- Carlos Rafael Rodriguez meets in Havana with Ruben Dario Souza, Secretary General of the Panamanian Communist People's Party, to discuss international events and matters of common interest.
- 4 February** At the opening of the 50th meeting of the General Organization of Cuban Trade Unions, Roberto Veiga stresses the importance of making 1985 the year of greatest economic accomplishment since the revolution.
- Commenting on Castro's statements in *The Washington Post* of 3 February, White House spokesman Larry Speakes says, "We want to see action from the Cubans and so far we have only had words."
- Central Committee member Eloy Valdes signs a protocol of cooperation with Zambia during a visit to Lusaka.
- Foreign Minister Malmierca arrives in Moscow. He meets with Andrey Gromyko, First Deputy Chairman of the USSR Council of Ministers. Malmierca says he discussed the situation in southern Africa with Gromyko and that "our viewpoints of those questions coincide."

Secret**5 February**

A delegation of Italian workers, several of whom are militant members of the Italian Communist Party, meets with members of Cuba's Committees for the Defense of the Revolution.

The Argentine firm Forja will ship more than 600 tons of railroad couplers to Cuba in the next few days, according to a report in the Havana press.

6 February

Representative William Alexander says Castro is willing to negotiate with the United States on airline hijacking prevention, radio signal interference, marine rescues, and fishing.

Politburo alternate member Jesus Montane attends the 25th Congress of the French Communist Party.

Five Costa Rican legislators arrive in Havana. They will visit production centers, historical sites, and recreational facilities and will meet with National Assembly and party leaders.

Cuba and Guyana sign a new educational, scientific, and cultural agreement for 1985 on the 10th anniversary of collaboration between the two countries.

7 February

Costa Rican Foreign Minister Gutierrez confirms that a Cuban Government envoy met with a Costa Rican official in an effort to resolve differences between Nicaragua and Costa Rica.

8 February

Havana press reports that the Ministry of Basic Industry produced exportable goods equivalent to more than 370 million pesos last year. Its goal for 1985 is 440 million pesos.

9 February

Costa Rican President Monge says conditions are not appropriate for reestablishing diplomatic and trade relations with Cuba.

11 February

The joint Cuban-Guinea-Bissau committee for economic and scientific-technical cooperation opens in Havana.

In an interview with Notimex, Cuba's Minister Without Portfolio Levi Farah says the United States has used its economic power to block the Contadora efforts.

A high-ranking Cuban Foreign Ministry official denies in a report to Reuters that Havana had asked Costa Rica to help ease tensions between Havana and Washington.

In a press conference, Deputy Foreign Trade Minister Amado Blanco says that trade between Cuba and the Soviet Union will exceed 8 billion rubles in 1985.

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Havana International Service reports that Cuba will enter the atomic age when the nuclear energy plant being built in Cienfuegos begins operating in 1990.

Isidoro Malmierca meets with Czechoslovakian Premier Lubomir Strougal in Prague. Strougal stressed that Cuba's foreign policy is valued by all progressive countries.

In an interview on the "MacNeil-Lehrer Newshour" shown on PBS, Fidel Castro says that Cuba's relations with the Soviets are "better than ever." Castro says President Reagan has shown some flexibility in foreign affairs since the election, but blasts the United States for questioning Havana's right to aid Nicaragua. He adds that closer US-Cuban ties would ease global tensions but "I will not change a single one of my principles for a thousand relations with a thousand countries like the United States." In the second part of his interview with PBS, Castro says he will surrender power if he feels that old age or infirmity prevent him from carrying out his duties. According to Castro, Cuba has tripled the weaponry of its armed forces and "every citizen is armed" for defense since the US-led intervention in Grenada.

12 February

Alternate Politburo member Jesus Montane arrives in Lisbon to discuss international matters and party relations with the Portuguese Communist Party.

Minister of Domestic Trade Manuel Vila Sosa attends the second meeting of the Ghana-Cuba cooperation commission in Ghana. Cuba agrees to step up economic assistance in housing and trade.

In statements to the Venezuelan newspaper *El Nacional*, Uruguayan President-elect Sanguinetti says Uruguay will soon reestablish relations with Cuba.

Congolese Labor Party delegation headed by Minister of Secondary and Higher Education Daniel Abibi arrives in Havana. Central Committee member Carneado greets visitors.

13 February

Muhammad Milhim, member of the PLO Executive Committee, meets in Havana with representatives of the national liberation movements in Latin and Central America.

During talks in Bulgaria, Foreign Minister Malmierca and Petur Mladenov, member of the Politburo of the Communist Party of Bulgaria, discuss the international situation, especially Central America and the Caribbean.

15 February

Jose Raul Viera and Minister of Public Health Alexander Nunes Correia of Guinea-Bissau sign a cooperation protocol to increase cooperation in the fields of education, science, and culture.

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- 16 February** In a statement at Barajas Airport in Spain, Isidoro Malmierca says the only way to find a political and peaceful solution to the conflict in Central America is through negotiations by Contadora.
- Carlos Rafael Rodriguez receives Jan Stejskal, President of the Czechoslovak State Bank. They discuss the national economy and bilateral relations.
- 18 February** In an interview with EFE, Fidel Castro issues a dramatic warning to the industrialized countries concerning the threat that Latin America's "unpayable" foreign debt poses for world peace.
- Labor leaders from the General Confederation of Workers of France, presided over by Secretary General Henri Krasucki, Politburo member of the French Communist Party, arrive in Havana.
- 19 February** Deputy Minister of Foreign Trade Jose de la Fuente and Jia Shi, China's Vice Minister of Foreign Economic Relations and Trade, sign a trade protocol for 1985 in Beijing.
- Argentine press announces the forming of the Argentine-Cuban international trade company Leverage.
- Carlos Rafael Rodriguez and Isidoro Malmierca speak at a Minrex meeting. Malmierca stresses that Cuba has relations with 122 states, 120 at the ambassadorial level and two with consular representations.
- 20 February** Closing the Minrex meeting, Carlos Rafael Rodriguez says that Cuba's contribution to the economic revolution should be to reduce imports from capitalist and socialist countries.
- Roberto Veiga accompanies Henri Krasucki and his delegation to Cienfuegos to inspect the thermonuclear plant and the 5 September agro-industrial complex in the town of Rodas.
- 21 February** The inter-African coffee organization's secretariat in Abidjan announces that Cuba has joined the 1983 international coffee organization as an exporting member.
- 22 February** Vice Minister of Foreign Relations Pelegrin Torras signs an agreement at the Japanese Embassy in Cuba to renegotiate Cuba's official foreign debt.
- Cuba and Algeria ratify an agreement signed in July 1979 creating a joint intergovernmental commission for economic, scientific, technical, and cultural cooperation.

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The first group of 23 Cubans who fled Cuba during the Mariel boatlift leave Dobbins Air Force Base in Atlanta for Cuba.

23 February

Cuban Institute of Radio and Television technicians install broadcasting studios and master control units for radio stations in Uige, Moxico, Huila, and Namibe provinces of Angola.

25 February

At Jose Marti Airport, Ricardo Cabrizas greets the Japanese delegation attending the eighth meeting of the Cuban-Japan Economic Conference. President of the conference Rioichi Kawai heads the delegation.

The Energy Ministry in Managua says that Cuba has sent urgent fuel supplies to Nicaragua to replace a shipment from Ecuador allegedly blocked by the United States.

26 February

Carlos Rafael Rodriguez meets with Rioichi Kawai, president of Komatsu Limited of Japan, to discuss Cuba's economic situation.

Lima press reports that President Ortega of Nicaragua says there are fewer than 1,000 Cuban military advisers in Nicaragua, 50 of whom will return home in May.

Isidoro Malmierca greets Mexican Foreign Secretary Sepulveda at Jose Marti International Airport, and later in the day hosts a reception.

27 February

Minister of Agriculture Adolfo Diaz reports that 1984 was a record year for sales to the state, with the production of more than 20.3 million quintals of agricultural goods.

Fidel Castro tells a Swedish journalist in Havana that a moratorium of 15 to 20 years is necessary for Third World countries to overcome their economic crisis.

Swedish journalist Peter Podgetson says that Swedish Prime Minister Olof Palme has invited Fidel Castro to visit Sweden.

President of the National Assembly Flavio Bravo and Ricardo Alarcon head a delegation to attend the inauguration of Uruguayan President-elect Julio Maria Sanguinetti in Montevideo.

During the opening ceremony of the Mexico-Cuba intergovernmental commission, Mexican Foreign Secretary Sepulveda exhorts the United States and Nicaragua to renew the Manzanillo talks.

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28 February

At the 14th plenum of the agricultural union's national committee, Politburo alternate member Roberto Veiga says that nine agricultural production records were set in 1984.

During a stopover in Peru, Flavio Bravo tells reporters that Cuba views with pleasure the democratization process in Uruguay and Brazil which, when added to Argentina, are important developments for Latin America.



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